export business of the photo-film majors in India.

Scrutiny of Accounts of RRBs

65. SHRIMATI AMBIKA SONI : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether the State Bank of India has decided to undertake a thorough scrutiny of the accounts of the Regional Rural Banks;

(b) if so, whether it is to detect whether any of these RRBs had any link with the recent gilts scam spearheaded by Home Trade;

(c) whether SBI-sponsored RRBs in India stands at 30 and they have a total branch network of 2,349 which contributes 16 per cent of the nation-wide RRB branch network;

(d) if so, to what extent the inspection of accounts of RRBs have been checked by the SBI; and

(e) to what extent they have been found in order ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) and (b) State Bank of India (SBI) has reported that the scrutiny of the accounts of Regional Rural Banks (RRBs) is being done annually by statutory auditors at the end of the financial year. The investment portfolio of RRBs is also regularly reviewed in the quarterly structured meetings. However, no link between SBI sponsored RRBs and the recent gilts scam spearheaded by Home Trade has been detected.

(c) SBI has sponsored 30 RRBs across the country and these RRBs have a total of 2342 branches which is 16 per cent of nation-wide RRBs branch network.

(d) and (e) As per Report of SBI the following inspection and audit system has been put in place for RRBs by National Bank for Agriculture & Rural Development (NABARD), sponsor bank and Reserve Bank of India which is considered to be adequate :

(i) Statutory Audit of accounts of RRB once in a year by external auditors;

(ii) Internal inspection and audit by the inspectors deputed by sponsor bank once in a year;

(iii) NABARD's Statutory Inspection of the RRBs under Section 35 of Banking Regulation Act, 1949 once in two/three years;

(iv) Periodical review at quarterly structured meeting with the Chairmen of RRBs by General Manager of the circle.

Debt burden of States

66. DR. T. SUBBARAMI REDDY:
SHRIMATI AMBIKA SONI:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether the Centre-State fight is building up on rescheduling of State debts and lowering of interest rates;

(b) if so, whether several States are arguing for relief in view of overall softening of interest rates;

(c) whether the total debt burden of the States on the Centre as on March 31, 2002 is touching Rs. 2,47,030 crore;

(d) if so, whether a number of desperate States have already asked the Centre to provide relief on their Central debt liabilities;

(e) if so, Government's reaction thereto; and

(f) the steps being taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE) : (a) The Centre and States jointly, in the spirit of cooperative federalism, are attempting to address the problems being faced by States on account of their mounting debt burden.

(b) Yes, Sir.

(c) The outstanding loans of State Governments from Ministry of Finance as on 31.3.2002 was Rs. 2,03,471.29 crore.

(d) Yes, Sir.

(e) and (f) The Government is guided by the recommendations of the Eleventh Finance Commission in regard to moratorium and rescheduling of debt